

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Rapides Parish School Board
Alexandria, Louisiana

June 6, 2001



Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

LEGISLATIVE AUDIT ADVISORY COUNCIL

MEMBERS

Representative Edwin R. Murray, Chairman
Senator J. "Tom" Schedler, Vice Chairman

Senator Robert J. Barham
Senator Foster L. Campbell, Jr.
Senator Lynn B. Dean
Senator Willie L. Mount
Representative Rick Farrar
Representative Victor T. Stelly
Representative T. Taylor Townsend
Representative Warren J. Triche, Jr.

LEGISLATIVE AUDITOR

Daniel G. Kyle, Ph.D., CPA, CFE

DIRECTOR OF POLICY AND QUALITY ASSURANCE

Grover C. Austin, CPA

This public document was published at a total cost of \$122. Forty-six copies of this public document were published in this first printing at a cost of \$38. This document was published by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana, 70804-9397, to document the findings of the limited examination of the Rapides Parish School Board. This material was printed in accordance with the standards for printing by state agencies established pursuant to R.S. 43:31. A copy of this report is located on our web site: www.la.state.la.us.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this report, or any reports of the Legislative Auditor, please contact Skip Irwin, Director of Administrative Services, at 225/339-3800.

RAPIDES PARISH SCHOOL BOARD

Alexandria, Louisiana

Dated April 20, 2001

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the Rapides Parish Clerk of Court.

June 6, 2001

LEGISLATIVE AUDITOR

RAPIDES PARISH SCHOOL BOARD
Alexandria, Louisiana

CONTENTS

	Page
Legislative Auditor's Transmittal Letter	2
Background, Methodology, and Conclusions	3
Findings and Recommendations	4
	Exhibit
Letter Promoting Health Care Providers	A
	Attachment
Management's Responses	I



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

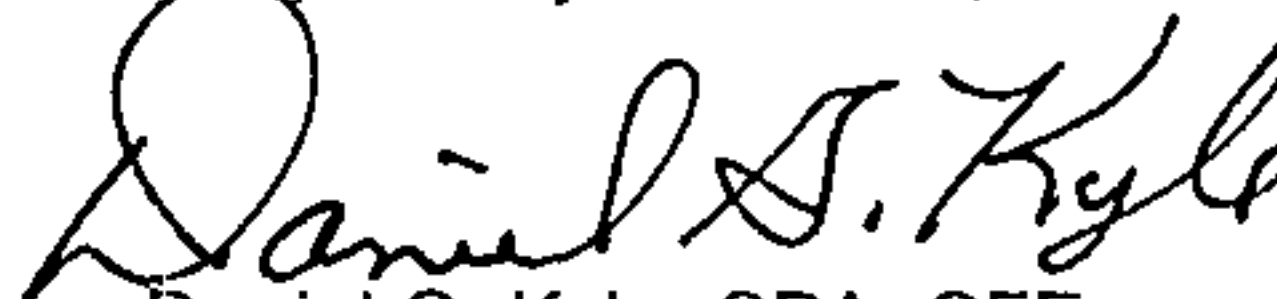
April 20, 2001

**MS. RODESSA METOYER, PRESIDENT,
AND MEMBERS OF THE RAPIDES
PARISH SCHOOL BOARD**
Alexandria, Louisiana

We have performed a limited examination of the Rapides Parish School Board (school board). Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

The accompanying report presents our findings and recommendations, as well as responses from management of the school board. We will continue to monitor the findings until the school board resolves them. Copies of this report have been delivered to the Louisiana Board of Ethics and other authorities as required by law.

Respectfully submitted,


Daniel G. Kyle, CPA, CFE
Legislative Auditor

GLM:GCA:lnl

[RAPIDESSB]

LEGISLATIVE AUDITOR

RAPIDES PARISH SCHOOL BOARD

Alexandria, Louisiana

BACKGROUND

The Rapides Parish School Board was created by Louisiana Revised Statute 17:51 to provide public education for the children within Rapides Parish. The Rapides Parish School Board is comprised of nine members who are elected from nine districts for terms of four years.

The Rapides Parish School Board operates fifty-four schools within the parish with a total enrollment of approximately 25,000 students. The school board provides transportation for the students by contracting with 271 bus drivers who drive 527 routes.

METHODOLOGY

The Legislative Auditor received information concerning school bus routes and a possible conflict of interest within the student insurance program. We visited the school board to determine the accuracy of this information.

We conducted a limited review of the school board's records. A limited review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Our procedures consisted of the following:

- (1) reviewing selected school board records;
- (2) reviewing selected minutes of board meetings and listening to audiotapes of selected board meetings;
- (3) interviewing certain employees and board members of the school board; and
- (4) reviewing applicable Louisiana laws.

CONCLUSIONS

The following summarizes the findings that resulted from this limited examination of the school board. The Findings and Recommendations section of this report provides details for these conclusions. Management's responses are included in Attachment I.

1. The school board has not designed, managed, and monitored school board routes, resulting in unnecessary bus routes, 'deadhead' mileage pickups, and unnecessary costs. In addition, students spend more time than necessary riding school buses. (See page 4.)
2. A school board member may have violated the Louisiana Code of Governmental Ethics by participating in a contract involving the school board, an insurance company, and his employer. (See page 5.)

LEGISLATIVE AUDITOR

RAPIDES PARISH SCHOOL BOARD Alexandria, Louisiana

FINDINGS AND RECOMMENDATIONS

School Bus Routes

The school board has not designed, managed, and monitored school board routes, resulting in unnecessary bus routes, 'deadhead' mileage pickups, and unnecessary costs. In addition, students spend more time than necessary riding school buses. School board members have fiduciary responsibilities of exercising good faith, trust, confidence, and candor in managing the school board.

We selected three districts (Districts C, E, and H) for review of selected bus routes. District C (Buckeye) clearly displays redundant/overlapping bus routes and deadhead mileage pickups. Deadhead mileage pickups occur when mileage is paid the bus driver for starting the bus route before the route should be started, e.g., picking up a child close to the bus driver's home when the child should be picked up on another bus driver's route (bus drivers are paid for mileage from the first student pick-up to the school). For the seven bus routes reviewed in District C, three of those routes had deadhead mileage pickups.

Districts E and H did not reveal overlapping bus routes, as compared to District C, but we did find three instances of deadhead mileage pickups (two for District E and one for District H). The supervisor of transportation said he was not aware of these deadhead mileage pickups. Because bus routes for a district are not all drawn on one map of the district, it is difficult to detect overlapping routes and deadhead mileage pickups.

Redundant/overlapping bus routes and deadhead mileage pickups not only increase transportation costs but also require students to spend more time than necessary riding school buses.

Superintendent Patsy Jenkins said that the three Buckeye schools (District C) are located in three separate locations and the high school starts and ends at a different time from the middle and elementary schools. She also said that on busy roads, such as Highway 28, bus drivers only pick up on the right side of the road, thus preventing children from having to cross the highway to board the bus. Superintendent Jenkins said that elementary and middle school children do not ride the same bus as the high school children.

School board members have been aware of problems with the bus routes before a board member bringing it to their attention in December 2000. The school board's finance committee was informed about problems with the bus routes in a February 18, 1997, meeting. We were informed that bus routes have been basically the same since 1980, with minor changes based on overload of students or changes in student population. The supervisor of transportation informed us that he has never drawn a bus route since he was appointed to his position in August 1999. We were informed that on December 1, 2000, the superintendent gave the supervisor of transportation authority to audit the bus routes. We were provided evidence that 42 routes were audited with mileage adjustments made for three of these routes.

LEGISLATIVE AUDITOR

RAPIDES PARISH SCHOOL BOARD

Alexandria, Louisiana

Findings and Recommendations (Continued)

Superintendent Jenkins said that the December 7, 2000, consent judgment will require the school board to change bus routes by August 2001. She said that the completion date for revising all bus routes is June 30, 2001. The school board purchased route-scheduling software (Transfinder Transportation Management Systems) in February 2001 and is planning on using the software to draw new bus routes. As of April 19, 2001, no new bus routes have been drawn using this software.

The school board should (1) identify all deadhead mileage pickups and adjust bus drivers' mileage payments accordingly; (2) dedicate the needed resources to ensure that drawing of new bus routes will be completed by June 30, 2001; and (3) review the new routes to ensure they are efficient and minimize the ride time for students. A map of each district that has all routes and pickups drawn on it should be available to aid the board in monitoring the new bus routes.

Failure to Comply With Code of Ethics

A school board member may have violated the Louisiana Code of Governmental Ethics by participating in a contract involving the school board, an insurance company, and his employer. Louisiana Revised Statute (R.S.) 42:1112(B)(3) provides that no public servant shall participate in a transaction involving the governmental entity in which he has a substantial economic interest. R.S. 42:1112(C) allows a public servant to disqualify himself from participating in a matter that would present a violation of Section 1112 of the Code.

The Rapides Parish School Board requires that all students who participate in any school-related training or competitive sports program be covered by the school board's student insurance policy. In the June 20, 2000, school board meeting, the board approved the proposal from Student Insurance, Inc., for the fiscal year 2000-2001 student insurance policy. Board Member Mike Byrnes voted for the contract; however, he did not recuse himself as his employer is Mid State Orthopaedic and Sports Medicine Center (Mid State), a health care provider for Student Insurance, Inc. Since Mr. Byrnes is an employee of Mid State, he may have had a substantial economic interest in referring students to his employer's company (Mid State).

The student insurance policy provides that Mid State, Christus St. Frances Cabrini Hospital (Cabrini), Rapides Regional Medical Center (Rapides), and Orthopaedic & Sports Medicine Specialists (OSMS) will participate as providers and will honor "no-balance billing" to the students. No-balance billing provides that insurance payments from the parents' primary insurance and/or Student Insurance, Inc., is considered payment-in-full. Therefore, unpaid balances are not billed to the parents.

LEGISLATIVE AUDITOR

RAPIDES PARISH SCHOOL BOARD

Alexandria, Louisiana

Findings and Recommendations (Concluded)

We listened to the audiotape of the June 20, 2000, board meeting and reviewed the report from the school board's Athletic Insurance and Trainer Committee. From these sources, we conclude the following:

Board members (including Board Member Mike Byrnes) were provided a report from the school board's Athletic Insurance and Trainer Committee during the board's June 20, 2000, meeting. Included with this report was documentation indicating that the agent for Student Insurance, Inc., wanted to provide a cover letter and/or other information with the insurance applications regarding Student Insurance, Inc.'s working relation with Mid State and Cabrini. Student Insurance, Inc., wanted to favor/feature Mid State and Cabrini in the general information accompanying the student insurance mailouts to the students and parents or withdraw its proposal. There was a lengthy discussion among the board members about this issue. Some board members strongly opposed a letter endorsing specific providers, while one board member said they have no control over what a private insurance company sends to the students. A motion was made to adopt the recommendation of the Student Athletic Insurance Committee to approve the proposal from Student Insurance, Inc., thus allowing them to endorse the two above mentioned providers with a cover letter mailed with the insurance application. The motion was adopted by majority vote of the board, with Mr. Byrnes voting for the motion.

In August 2000, Student Insurance, Inc., mailed an information sheet and student insurance application to the school principals to distribute to the students. No one from the school board reviewed this information before it was mailed to the school principals. The information sheet that accompanied the student insurance application included a paragraph introducing a letter from Mid State and Cabrini and their offer for "no-balance billing" on medical services. A copy of this letter promoting Mid State and Cabrini was prominently displayed in the center of the information sheet (see Exhibit A for a copy of the letter). A sentence located under the Mid State and Cabrini letter mentioned that Rapides and OSMS indicated their desire to also offer "no-balance billing."

The school board should strictly comply with the Louisiana Code of Governmental Ethics. In addition, when students can make a choice in health care providers, the school board should not allow certain providers to be promoted over other health care providers. Also, all mailouts from business/vendors that are intended for the distribution to students should be sent to the central school board office for review before they are distributed to the individual schools and students.

Exhibit A

Letter Promoting Health Care Providers

To: Student Insurance, Inc.
Participants and Parents

Christus St. Frances Cabrini (Cabrini), Mid State Orthopaedic & Sports Medicine Center (MSOSM) and Christus Louisiana Sports Medicine at Cabrini (LSMC) provide an exceptional team of professionals offering comprehensive sports medicine to Rapides Parish Schools.

We collaborate with Christus Health Central Louisiana, striving to provide quality, compassionate health care services in a healing environment. As talented, dedicated and professional people, we share a responsibility to deliver the highest quality patient care.

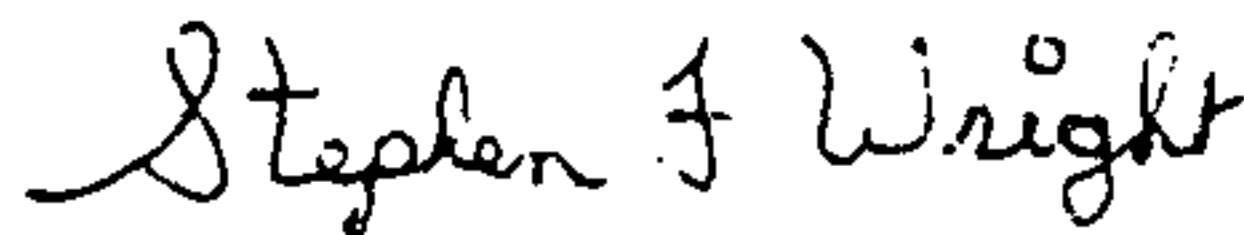
Our goal is to provide a complete and experienced sports medicine team for Rapides Parish, including assistance with Athletic Trainers, Physicians, and Rehabilitation Support.

Cabrini, Mid State Orthopaedic, and Louisiana Sports Medicine Center have agreed to offer Rapides Parish School student athletes a special discount. Any insurance payments that are received from the parents' primary insurance and/or Student Insurance, Inc. will be considered as *payment-in-full* for all students who are treated at one of our facilities or by one of our orthopaedic staff. This means *no balance-billing* for your child or your family.

By taking your child to Cabrini, Mid State Orthopaedic, or Louisiana Sports Medicine Center for treatment, you are assured of quality care and full acceptance of Student Insurance, Inc. as *payment-in-full*.

We look forward to a continued relationship with you and the other students and parents being served in Rapides Parish. Please remember our Saturday Morning Injury Clinic during football season. Mid State Orthopaedic will be open at 8:30 am to see any student athlete at no charge to you. Thank you again.

Most Sincerely,



Stephen F. Wright, President & CEO
Christus St. Frances Cabrini



Chris Rich, M.D., Medical Director
Mid State Orthopaedic & Sports Medicine Center

Attachment I

Management's Responses



Rodessa Metoyer, District F
President

P.O. Box 1230
Alexandria, Louisiana 71309-1230
318-487-0888 • FAX 318-449-3167

RECEIVED
LEGISLATIVE AUDITOR
2001 MAY 29 AM 9:16

Dr. Patsy Jenkins
Superintendent

May 28, 2001

Dr. Daniel G. Kyle
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804

Dear Dr. Kyle:

In response to your letter and preliminary draft of May 14, 2001, please find enclosed management's response. We would appreciate the opportunity to respond to any modifications or additions your office makes to the original draft.

Please do not hesitate to contact me or Dr. Patsy Jenkins if you need any additional information.

Respectfully submitted,

(Mrs.) Rodessa Metoyer
President
Rapides Parish School Board

RM:bl

(1) School Bus Routes

The Rapides Parish School Board respectfully contend that the conclusion given by your department relative to the operation of the transportation department of the Rapides Parish School System is incorrect and misleading on its face.

The Rapides Parish School System transports approximately 18,000 children traveling over 11,000 miles one way each day. This is accomplished by employing 271 bus drivers running 522 separate routes two times daily. Rapides Parish is the second largest geographic parish in the state, most of which is rural. It is also a parish that has been under federal court order for many years and under the present school assignments since 1980. These court imposed assignments dictate to a large extent the routes necessary to comply with court mandate. This court order requires that the transportation of children occur all across the parish. The new desegregation order assigns children to schools closer to their home. In all likelihood, once the new school desegregation order is implemented in August 2001, there will be a reduction in the overall mileage traveled, a reduction in the number of routes, and most importantly, a reduction in the cost of transportation and a reduction in the time the children are forced to ride a bus. Above all considerations, will be the safety of each and every child.

The districts that your department chose to review were Districts C, E, and H. The routes that you may have reviewed were well-established routes that have been in existence for many years previous to the current board and administration. In District C, no specifics are given regarding the identity of any "deadhead routes" or overlapping routes, nor the mileage that you believe was "deadhead mileage" charged. Therefore, we are at a disadvantage in being able to address your interpretation of those particular routes. However, the inference that the number of your interpreted discrepancies is an indication of an overall situation is unsubstantiated. In District C alone, 1,675 students are currently bused every day. Twenty-eight drivers are employed to run 46 separate routes, covering a combined total of 1,097.9 one-way miles per day. Many of these routes are necessary under the current court order that requires the transportation of children to and from points south of the Red River. Fortunately, those lengthy routes are eliminated under the new desegregation order.

Further, the new bus routes will be drawn to create routes which are as economical and efficient as is feasible, and which seek to transport children for the minimum distance possible and in the minimum amount of time.

Furthermore, the school system has, in the last 9 months, conducted several separate audits of various routes within District C. None of those audits revealed any "deadhead mileage" routes. The transportation department will continue to monitor and seek ways to eliminate the possibility of any "deadhead mileage" as well as to better and more fully economize time and money relative to transportation of children. Furthermore, the origination of new bus routes will allow the system an opportunity to construct routes that will eliminate the possibility of future discrepancies.

In regard to your opinions related to Districts E and H, we are pleased that you found no overlapping of routes. You did, however, find one incident in Ward 5 where a driver was claiming 3.3 miles of travel from their home to their first pickup. These "deadhead" miles were addressed

with the driver and the situation was corrected immediately. District H buses 2,584 children 1,964.5 one-way miles per day, employing 61 bus drivers completing 80 separate routes.

In District E, one incident reported involved a driver that was also claiming “deadhead miles” of approximately 2.2 miles. This incident was also addressed and corrected immediately. Also, in District E, 1,297 children are transported each day over 685.5 one-way miles and are driven by 15 drivers traveling 35 routes.

Although every system can be improved, the Rapides Parish bus system has sought to be as efficient as possible. **THE SAFETY OF EACH AND EVERY CHILD IS PARAMOUNT TO ALL OTHER FACTORS.** Consideration for state and federal laws relative to bus capacity is certainly a factor in the goals of providing safe transportation to children that does not keep a child on a bus any longer than is possible. Overcrowding buses for the purpose of efficiency alone is not safe and is illegal regardless of any costs that might be saved. Further, state law relative to the rights of bus drivers has also been a significant factor that the school system also has to recognize. The current transportation system has taken actions to eliminate bus routes when at all legal and possible. In the past nine months, four routes have been consolidated, thus eliminating four bus drivers and three attendants at a savings of over \$155,000 to the school system. This type of review and constant monitoring will continue to be employed even after the new bus routes are implemented.

Certainly there are temptations for abuse by drivers regarding their mileage reports. However, the transportation department has employed an ongoing process of reviewing as many routes as possible. In the past nine months, over 42 audits have been conducted on a similar number of routes. Such review and monitoring will continue. The Rapides Parish school system takes seriously its responsibility to ensure safe, efficient and economical transportation of the students of this parish. We will continue to review, refine, and monitor our system to find more efficient means of transportation which are lawful and do not compromise the safety and educational environment of its children. When problems are identified, they will be addressed and corrected.

The creation of the new school zones allows the school system the opportunity to create new bus routes that accomplish those goals, while minimizing the opportunity for abuse by individual bus drivers. Further, continuing education meetings will be held with all bus driver where the issue of “deadhead milcage” will be addressed clearly.

(2) Insurance Issue

The Rapides Parish School Board respectfully rejects the assertion that the vote taken by Rapides Parish School Board member Mike Byrnes to award a contract to State Insurance, Inc. may have violated any rule of ethics. The conclusion taken by your office was erroneous and does not consider the written evidence or clear facts.

The vote taken was made on a motion made not by Mr. Byrnes, but by Mr. Randy Tannehill and seconded by Mrs. Rodessa Metoyer to hear and receive the report of the Athletic Insurance and Trainer Committee. Mr. Byrnes is not even a member of this committee.

A substitute motion was made not by Mr. Byrnes, but by Mr. Scott Linzay and seconded by Mrs. Rodessa Metoyer to adopt the recommendations of the Student Athletic Insurance Committee and approve the proposal from State Insurance, Inc., thereby renewing the existing policy with increased benefits and no increase in premiums with the stipulation that Rapides Regional and Cabrini Hospitals be allowed to participate as providers and will honor the "zero balance billing." **(See Attachment A, the official minutes of the June 20, 2000 Rapides Parish School Board, page 4).**

There was no conflict of interest as is dealt with at La. R.S. 42:1112. With respect to the motion upon which Mr. Byrnes voted, Mr. Byrnes was not voting on a "transaction" in which he or his employer, Mid State Orthopedics, had a substantial economic interest as is required by La. R.S. 42:1112. The implication that it was is simply wrong. The transaction at issue was the proposed insurance contract with Student Insurance, Inc. Mr. Byrnes was not a member of the Student Athletic Insurance Committee that made the recommendation of Student Insurance, Inc. to the full board. Mr. Byrnes was not and has not been an employee of Student Insurance, Inc. Mr. Byrnes was not in any way affiliated with Student Insurance, Inc. Neither Mr. Byrnes nor his employer, Mid State Orthopedic, had any economic interest in the issuance of the insurance contract. The sole recipients of the benefits of the insurance contract were Student Insurance, Inc. and the students of Rapides Parish. The existence of this contract did not in any manner produce any income or financial benefit to Mr. Byrnes. The implications expressed by your Department were harmful to Mr. Byrnes and the Rapides Parish School Board and is without merit.

This same insurance policy in question had been accepted eight previous times by the Rapides Parish School Board. The action taken on June 20, 2000 was simply a renewal of a policy of insurance that had been in effect for a significant period of time before Mr. Byrnes was even a member of the school board.

It is true that Mr. Byrnes does work as a public relations representative of Mid State Orthopedic. It is also true that Mid State is one of a number of health care providers who render medical services for Rapides Parish students and subsequently make claims under the provisions of this and other insurance policies. However, all health care providers in Rapides Parish are available to students for their health care needs. The insurance contract in question allowed each student and/or parent(s) to choose which provider they will use in the event of a medical injury. There were

no restrictions on who a patient must use. They can use any health care provider, be it Mid State Orthopedic or the medical office of fellow board member, Dr. John Sams. No provision of the policy required that any student seeking the use of the benefits of the insurance policy must use Mid State nor any other health care provider. Mr. Byrnes' salary is in no way connected to the selection of any particular insurance company, and certainly not in any way connected with the selection of Student Insurance, Inc. No information to the contrary is stated in support of your department's conclusion. No objection was made to Mr. Byrnes' vote during the meeting by any member, nor were any questions raised about the appropriateness of his vote by any other board member, nor by the board's legal counsel, who was present at the meeting when the vote was taken.

Whatever actions were taken by other individuals relative to the marketing of the insurance was neither an issue Mr. Byrnes voted on nor a matter over which he had any influence or control, and of which he received no benefit. Student Insurance, Inc. was available to be used at both of the only hospitals in Rapides Parish. Although Mr. Byrnes is an employee of a health care provider that may serve patients that use Student Insurance, Inc., his vote to accept the recommendations of the committee presented to the full board was neither unethical nor unlawful. Further, his vote to accept the recommendations of the committee was no more unethical than that of one cast by another board member who is a physician who can also treat patients who may use Student Insurance, Inc. Although the facts were spelled out in a letter to your department by attorney Brenner Sadler, you chose to not include that information in your findings. For the purpose of completeness of the record, I include same as Attachment B.

In conclusion, we contend that neither the vote of board member Dr. John Sams to reject the proposal of the Student Athletic Insurance Committee, nor the vote of board member Mr. Mike Byrnes to accept the recommendation of the committee, was in any way unethical or in violation of any law and, therefore, reject the auditor's findings and suppositions that Mr. Byrnes' vote may have been a violation of the state ethic law.

The Rapides Parish School Board is committed to providing the best education possible for the students of this parish. However, under no circumstances does the administration condone or encourage any action by employees or members that would be unethical. In that regard and with that purpose, we re-commit to those goals. The Board will review its practices re control of outside vendors and communication sent to schools and students. Policies will be put into place discouraging future correspondence without Board review and approval. Further, through the guidance of the school system's board attorney, District Attorney James Downs, and regular continuing education for its board, members will continue to avoid any violations of the ethics codes in the future.

Attachment A

*To be published
6-28-00*

OFFICIAL PROCEEDINGS
OF THE
RAPIDES PARISH SCHOOL BOARD

*Approved
6-21-00
date*
Alexandria, Louisiana
June 20, 2000

The Parish School Board of Rapides Parish, Louisiana, met in special public session at 5:00 o'clock p.m. on Tuesday, June 20, 2000, at the regular meeting place of said board in the Rapides Parish School Board Office, Sixth and Beauregard Streets, in Alexandria, Louisiana.

President Scott Linzay called the meeting to order and on roll call the following members were present:

Scott Linzay, President
Michael Byrnes, Member
Randy Tannehill, Member
Herbert Dixon, Member
Stephen Furr, Member
John Sams, Member

Absent:

Rodessa Metoyer
Paul Daurat
Bonnie Lee

Dr. Patsy S. Jenkins, secretary for the Board, was present for the meeting.

First Assistant District Attorney James Downs, attorney for the Board, attended the meeting.

The Invocation was pronounced by President Scott Linzay, after which he led in the recitation of the Pledge of Allegiance.

(COPY OF OFFICIAL CALL MAILED TO EACH MEMBER OF THE RAPIDES PARISH SCHOOL BOARD AND POSTED IN A CONSPICUOUS PLACE AT THE MEETING PLACE OF SAID BOARD ON JUNE 12, 2000)

Alexandria, Louisiana
June 12, 2000

Dear Sir/Madam:

By virtue of the authority vested in me by law and by reason of the fact that it is deemed necessary, advisable, and to the public interest that the Rapides Parish School Board be called in special session; now, therefore,

I, Scott Linzay, President, do hereby give notice that the said board will meet in special session at its domicile in the City of Alexandria, Louisiana, at 5:00 p.m. on

TUESDAY, JUNE 20, 2000

for the purpose of considering, acting upon, deciding, and if deemed advisable, submitting the following propositions, to wit:

1. Call to order
2. Invocation, Pledge of Allegiance
3. Roll call
4. Motion to approve Rapides Foundation Cycle II Grants, adopt grant budgets, and authorize the Superintendent to sign any and all documentation in connection therewith - Mr. James Lewis
5. Motion to rescind the motion adopted at the 4-4-00 Board meeting, "A motion was made

by Mr. Stephen Furr and seconded by Mr. Randy Tannehill to authorize the secretary to receive bids to *Restore the Roof of the Old Home Economics Building at Glenmora High* and authorize the Executive Committee and/or Central Office staff to receive bids, a recommendation to be made to the Board" - Mr. Randy Patterson

6. Motion to rescind the motion adopted at the 4-4-00 Board meeting. "A motion was made by Mr. Randy Tannehill and seconded by Mr. Stephen Furr to authorize the secretary to receive bids to *Install a Sprinkler System on the Football Field at Peabody Magnet* and authorize the Executive Committee and/or Central Office staff to receive bids, a recommendation to be made to the Board" - Mr. Randy Patterson
7. Motion to ratify and confirm bid(s) received by the Central Office staff at 2:00 p.m. on 6-1-00 for *Renovations to Brame Junior High School*, to be funded from District 62 bond money, and award the bid (*decision pending*) - Mr. Randy Patterson
8. Motion to ratify and confirm bid(s) received by the Central Office staff at 2:00 p.m. on 6-8-00 for *Renovations to Alexandria Junior High (Re-roofing)*, to be funded by District 62 bond money, and award the bid (*decision pending*) - Mr. Randy Patterson
9. Motion to receive proposals in accordance with the Board's request for proposals at the 5-29-00 Board meeting for *Buckeye Elementary and Middle Schools New Oxidation Pond*, funding from bond money, and accept the lowest proposal that meets the specifications (*decision pending*) - Mr. Randy Patterson
10. Motion to go into Executive Session to discuss pending litigation in the case of Virgie Lee Valley v. Rapides Parish School Board, #10946 in the U. S. District Court, Western District of Louisiana - Dr. Patsy Jenkins
11. Motion to go into Executive Session to discuss the job performance of an employee - Dr. Patsy Jenkins
12. Motion to go into Executive Session to conduct a dismissal hearing for a non-tenured employee - Dr. Patsy Jenkins

Your attendance is urgently requested.

IN TESTIMONY WHEREOF, Witness my official signature and the seal of the Rapides Parish School Board this 12th day of June, 2000.

/s/ Scott Linzay
President

ATTEST:

/s/ Patsy S. Jenkins
Secretary

SEAL

Public comment was solicited prior to the vote on items during this meeting.

A motion was made by Mr. Randy Tannehill and seconded by Mr. Michael Byrnes to approve Rapides Foundation Cycle II Grants, adopt grant budgets, and authorize the Superintendent to sign any and all documentation in connection therewith.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Dr. Sams, Mr. Linzay

NAY: None

ABSENT: Mrs. Metoyer, Mr. Dautat, Mrs. Lee

A motion was made by Mr. Stephen Furr and seconded by Dr. John Sams to add items to the agenda, to hear and receive the report of the Athletic Insurance and Trainer Committee; to adopt the recommendation of the Finance Committee to grant Mr. David Campo, Electrician I, an additional six (6) years experience; and to approve resignations, retirements, and new hires since the 6-6-00 Board

meeting.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Dr. Sams, Mr. Linzay
NAY: None
ABSENT: Mrs. Metoyer, Mr. Dauzat, Mrs. Lee

A motion was made by Mr. Randy Tannehill and seconded by Mr. Stephen Furr to rescind the motion adopted at the 4-4-00 Board meeting, "A motion was made by Mr. Stephen Furr and seconded by Mr. Randy Tannehill to authorize the secretary to receive bids to *Restore the Roof of the Old Home Economics Building at Glenmora High* and authorize the Executive Committee and/or Central Office staff to receive bids, a recommendation to be made to the Board."

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Dr. Sams, Mr. Linzay
NAY: None
ABSENT: Mrs. Metoyer, Mr. Dauzat, Mrs. Lee

Let the record reflect that Mrs. Metoyer arrived at this point during the meeting.

A motion was made by Mr. Randy Tannehill and seconded by Mr. Stephen Furr to rescind the motion adopted at the 4-4-00 Board meeting, "A motion was made by Mr. Randy Tannehill and seconded by Mr. Stephen Furr to authorize the secretary to receive bids to *Install a Sprinkler System on the Football Field at Peabody Magnet* and authorize the Executive Committee and/or Central Office staff to receive bids, a recommendation to be made to the Board."

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Dr. Sams, Mr. Linzay
NAY: None
ABSENT: Mr. Dauzat, Mrs. Lee

A motion was made by Mr. Randy Tannehill and seconded by Mr. Michael Byrnes to ratify and confirm bid(s) received by the Central Office staff at 2:00 p.m. on 6-1-00 for *Renovations to Brame Junior High School*, to be funded from District 62 bond money, and award the bid to Hab Karam Construction in the amount of \$661,000.00.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Dr. Sams, Mr. Linzay
NAY: None
ABSENT: Mr. Dauzat, Mrs. Lee

A motion was made by Mr. Randy Tannehill and seconded by Mrs. Rodessa Metoyer to ratify and confirm bid(s) received by the Central Office staff at 2:00 p.m. on 6-8-00 for *Renovations to Alexandria Junior High (Re-roofing)*, to be funded by District 62 bond money, and award the bid to Grosjean of Bossier City, Louisiana, in the amount of \$287,000.00.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Dr. Sams, Mr. Linzay
NAY: None

ABSENT: Mr. Dauzat, Mrs. Lee

A motion was made by Mr. Scott Linzay and seconded by Mrs. Rodessa Metoyer to receive proposals in accordance with the Board's request for proposals at the 5-29-00 Board meeting for *Buckeye Elementary and Middle Schools New Oxidation Pond*, funding from bond money, and accept the lowest proposal that meets the specifications, thereby accepting the proposal from C & C Fontenot Construction Co. in the amount of \$70,900.00.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Dr. Sams, Mr. Linzay

NAY: None

ABSENT: Mr. Dauzat, Mrs. Lee

A motion was made by Mr. Randy Tannehill and seconded by Mrs. Rodessa Metoyer to hear and receive the report of the Athletic Insurance and Trainer Committee.

A substitute motion was made by Mr. Scott Linzay and seconded by Mrs. Rodessa Metoyer to adopt the recommendation of the Student Athletic Insurance Committee to approve the proposal from Student Insurance, Inc., thereby renewing the existing policy with increased benefits and no increase in premiums, with the stipulation that Rapides Regional and Cabrini Hospitals be allowed to participate as providers and will honor in the zero balance billing.

On roll call the vote on the substitute motion was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mrs. Metoyer, Mr. Linzay

NAY: Mr. Dixon, Mr. Furr, Dr. Sams

ABSENT: Mr. Dauzat, Mrs. Lee

THE SUBSTITUTE MOTION WAS ADOPTED BY MAJORITY VOTE.

A motion was made by Mrs. Rodessa Metoyer and seconded by Mr. Michael Byrnes to adopt the recommendation of the Finance Committee to grant Mr. David Campo, Electrician I, an additional six (6) years experience.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Mr. Linzay

NAY: None

NOT VOTING: Dr. Sams

ABSENT: Mr. Dauzat, Mrs. Lee

On motion by Mrs. Rodessa Metoyer and seconded by Mr. Scott Linzay, the Board voted unanimously to approve resignations, retirements, and new hires since the 6-6-00 Board meeting.

A motion was made by Mr. Randy Tannehill and seconded by Mrs. Rodessa Metoyer to go into Executive Session to discuss pending litigation in the case of *Virgie Lee Valley v. Rapides Parish School Board*, #10946 in the U. S. District Court, Western District of Louisiana; to discuss the job performance of an employee; and to conduct a dismissal hearing for a non-tenured employee.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Mr. Linzay

NAY: None

NOT VOTING: Dr. Sams

ABSENT: Mr. Dautat, Mrs. Lee

THE BOARD WENT INTO EXECUTIVE SESSION.

On motion by Mrs. Rodessa Metoyer and seconded by Mr. Randy Tannehill, the Board voted unanimously to reconvene in Open Session.

THE BOARD RECONVENED IN OPEN SESSION.

A motion was made by Mr. Stephen Furr and seconded by Dr. John Sams to set a tenure hearing date of July 31, 2000, for Mr. David Moreau.

On roll call the vote was as follows:

AYE: Mr. Furr, Dr. Sams

NAY: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mrs. Metoyer

ABSTAIN: Mr. Linzay

ABSENT: Mr. Dautat, Mrs. Lee

THE MOTION FAILED.

A motion was made by Mr. Stephen Furr and seconded by Mr. Scott Linzay to go into Executive Session to conduct a dismissal hearing for a non-tenured employee.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Dr. Sams, Mr. Linzay

NAY: None

ABSENT: Mr. Dautat, Mrs. Lee

THE BOARD WENT INTO EXECUTIVE SESSION.

Let the record reflect that Dr. Sams left during the Executive Session.

On motion by Mr. Stephen Furr and seconded by Mr. Michael Byrnes, the Board voted unanimously to reconvene in Open Session.

THE BOARD RECONVENED IN OPEN SESSION.

A motion was made by Mr. Scott Linzay and seconded by Mr. Randy Tannehill to terminate the employment of Mr. Earnest Kirk and that he be eligible to reapply for employment in six (6) months after successful completion of a substance abuse/detox program at Mr. Kirk's expense.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Linzay

NAY: Mr. Furr

ABSTAIN: Mrs. Metoyer

ABSENT: Mr. Dautat, Mrs. Lee, Dr. Sams

THE MOTION WAS ADOPTED BY MAJORITY VOTE.

A motion was made by Mr. Randy Tannehill and seconded by Mr. Michael Byrnes to add an item to the agenda to pay junior high school dance line and booster sponsors 1.5% of their salary for their services for 1999-2000 and thereafter.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Mr. Linzay

NAY: None

ABSENT: Mr. Dautat, Mrs. Lee, Dr. Sams

A motion was made by Mr. Stephen Furr and seconded by Mr. Randy Tannehill to pay junior high school dance line and booster sponsors 1.5% of their salary for their services for 1999-2000 and thereafter.

On roll call the vote was as follows:

AYE: Mr. Byrnes, Mr. Tannehill, Mr. Dixon, Mr. Furr, Mrs. Metoyer, Mr. Linzay

NAY: None

ABSENT: Mr. Dautat, Mrs. Lee, Dr. Sams

Pursuant to motion duly made and carried, the Rapides Parish School Board adjourned at 9:40 p.m.

/s/ Scott Linzay
President

ATTEST:

/s/ Patsy S. Jenkins
Secretary

SEAL

Attachment B

PROVOSTY, SADLER, DELACROIX, & ASSOCIATES, L.L.C.
ATTORNEYS AND COUNSELORS AT LAW

WILLIAM H. DELACROIX, JR.
ALBIN A. PROVOSTY
H. BRENNEN SADLER
RONALD J. FIORENZA
DAVID R. SOBELL
FREDERICK B. ALEXANDER
ANDREW E. SCHWARTZ
JOSEPH J. BAILEY
H. BRADFORD CALVERT
JOHN T. DOBOSZ
CATHERINE G. ORAME
JOHN D. RYLAND

*BOARD CERTIFIED IN TAXATION
*ALSO ADMITTED IN TEXAS

MAIN OFFICE
POST OFFICE DRAWER 1701
834 THIRD STREET, SUITE 800
ALEXANDRIA, LOUISIANA 71304-1791

REAL ESTATE OFFICE
1438 PETERMAN DRIVE
ALEXANDRIA, LOUISIANA 71301
TELEPHONE (504) 681-4945

TELEPHONE (504) 449-1821
TELECOPIER (504) 449-1877
E-MAIL: info@provosty.com

LEDOUX E. PROVOSTY (1954-1980)
RICHARD B. SADLER, JR. (1912-1990)
LEDOUX E. PROVOSTY, JR. (1930-1990)

RICKY L. SOUTER, SPECIAL COUNSEL

LAURA N. SYLVESTER
JOHN W. MALOY
DAVID W. LAMBERT
RENEE T. BOYETT

*ALSO ADMITTED IN GEORGIA
*ALSO ADMITTED IN COLORADO

May 1, 2001

Legislative Auditor's Office
Attn: Mr. Gary McCrary
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Midstate Orthopaedic Clinic, Inc.

Dear Mr. McCrary:

I certainly appreciate you speaking to me and Dr. Chris Rich on Friday. At your suggestion, we contacted Karen Lafargue at the Rapides Parish School Board and obtained the information you suggested we review.

As I told you, Midstate Orthopaedic Clinic is very interested in the progress of your investigation into the complaints that have been filed with respect to the Rapides Parish School Board, and particularly those that involve their employee, Mike Byrnes. Their interest at the present time is to make certain that any report that may be issued by you or your office is based upon all of the relevant facts at hand.

It is our understanding that you are currently collecting information relevant to the complaints that were filed with your office. It is my understanding from speaking to Mr. Byrnes that it has been suggested by the complainant that the vote by Mr. Byrnes, in favor of the insurance contract entered into by the Rapides Parish School Board with Student Insurance, Inc., may have constituted a possible conflict of interest. We do not believe that to be the case, and would ask that you include the following information in your investigation file:

(a) The insurance product that was approved by the School Board at its June 20, 2000, meeting was the same insurance product (with minor modifications) that had been purchased by the School Board for the past eight years.

(b) The "package" that was sent out to the students and their parents in connection with the insurance promotion contained the name "Midstate" on one of the documents included in the "package". I would like to point out two things relative to that document:

First, the "package" was prepared by Student Insurance, Inc., and was mailed out at the suggestion of that company. Student Insurance, Inc., was very insistent with the School

Legislative Auditor's Office

Attn: Mr. Gary McCrary

May 1, 2001

Page 2

Provosty, Sadler, deLaunay, Florenza & Sobel

Board that this package be sent out in the manner in which it was sent out. This included the document which contained the name "Midstate". Apparently, they thought the information on the document would be helpful in the enrollment process.

Second, this same package (with minor modifications) has been sent out by Student Insurance, Inc. for the past eight years. This did not constitute a change in the manner in which this mail out has been handled in the past. Mr. Byrnes was neither an employee of Midstate nor a school board member when this practice started. As a result, Mr. Byrnes' vote was merely one approving prior practices of the School Board.

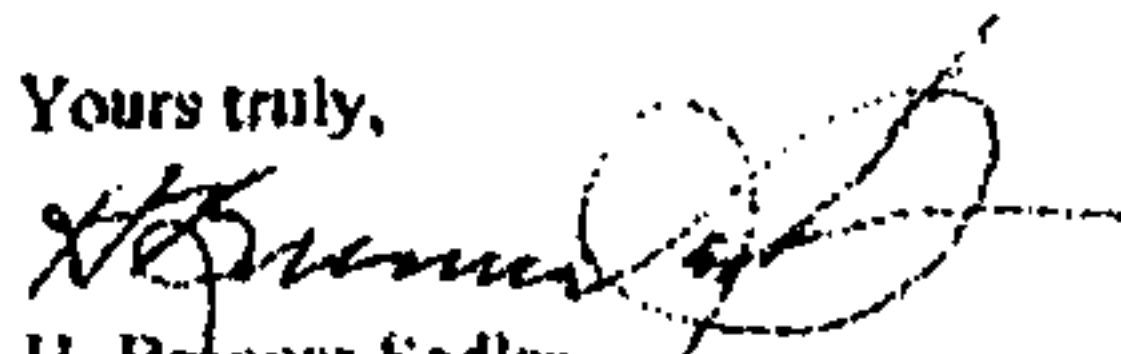
(c) Conflicts of interest are dealt with at La. R.S. 42:1112. With respect to the motion upon which Mr. Byrnes voted, Mr. Byrnes was not voting on a "transaction" in which his employer, Midstate, had a substantial economic interest, as is required by the R.S. 42:1112. The "transaction" at issue was the proposed insurance contract between the Rapides Parish School Board and Student Insurance, Inc. Neither Mr. Byrnes, nor his employer, Midstate, had any economic interest in the issuance of the insurance contract. The sole recipient of the benefits of the insurance contract was Student Insurance, Inc. The existence of this contract did not, in any manner, produce any income or financial benefit to either Mr. Byrnes or Midstate.

It is true that Midstate is one of a number of healthcare providers who render medical services for Rapides Parish students, and subsequently make claims under the provisions of this insurance contract for medical services rendered. However, all healthcare providers in Rapides Parish are available to students for their healthcare needs. The insurance contract allows each student and/or parent to choose which provider they will use in the event of a medical injury. This insurance contract did not insure any healthcare patients for Midstate.

(d) Midstate is a provider in other healthcare insurance contracts that involve the School Board. For example, Midstate is an approved provider for the insurance contract entered into by the School Board for the teachers of Rapides Parish. Some of the teachers will inevitably choose to use the services of Midstate, and Midstate will make claims for those services pursuant to that the School Board contract. Is it improper for Mr. Byrnes to participate in the issuance of this contract also because his employer may indirectly financially benefit by rendering medical services to teachers? If this is the case, then no physician, or an employee of a physician, can participate in any healthcare contract decisions for the School Board.

We would appreciate it if you would include this letter and the information contained herein in your investigation file. If you would like to discuss these issues in greater detail, please give me a call. Once again, we appreciate the courtesies you have extended.

Yours truly,


H. Brenner Sadler

✓cc: Dr. Chris Rich